

WILLMAR CITY COUNCIL PROCEEDINGS
SPECIAL MEETING
BOARD ROOM
HEALTH AND HUMAN SERVICES BUILDING
WILLMAR, MINNESOTA

September 30, 2019
5:15 p.m.

The special meeting of the Willmar City Council was called to order by the Honorable Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Rick Fagerlie, Shawn Mueske, Kathy Schwantes, Vicki Davis, Fernando Alvarado, Julie Asmus, Andrew Plowman, and Audrey Nelsen. Present 9, Absent 0.

Also present were Interim City Administrator Brian Gramentz, Finance Director Steve Okins, Recreation Director Rob Baumgarn, Fire Chief Frank Hanson, Planning and Development Services Director David Ramstad, Human Resource Director Samantha Beckman, and City Clerk Judy Thompson.

City Administrator Brian Gramentz introduced two new Engineering Department employees – Assistant City Engineer Bruce Cochran, and Surveyor Alex Hetrick to the Mayor and Council. He stated both began their employment with the City in the month of September. Mayor Calvin and members of the Council welcomed them to the City.

The Finance Committee Report for September 26, 2019, was presented to the Mayor and Council by Council Member Nelsen. There were two items for consideration.

Item No. 1. The Mayor's Proposed Budget. The General Operating Budget includes approximately \$17.5 million in revenues plus \$1.7 from Fund Balance Reserves. These Reserves are mostly comprised of the excess from 2018 of \$840,000 plus the \$870,000 resulting from previous council action to abandon the early retirement program. Proposed expenditures for the General Fund are 19.2 million of which 1.7 million is for capital transfers out of operating. Proposed new revenue is a gas franchise fee of \$245,000. It should be noted there is a specific process required in order to institute a gas franchise fee. Further information will be provided at a future meeting as to what the approximate cost may be per customer. Future meetings will also open discussion about spending reserve dollars.

Information on tax levies in comparable communities will also be provided at a future date. Staff is waiting for updated information from the League of Minnesota Cities as the most recent information they have available is currently two years old.

Licenses/Permits Revenue is proposed to increase \$100,000 for previous years' budgets to reflect a more accurate estimate of \$566,000. Various governmental aids revenues were discussed. Fines/Forfeits Revenue reflects a slight decrease based on historical trends. Miscellaneous revenue, which includes interest earnings, has a proposed increase based on the assumption that interest rates will rise. Other Financing Sources is primarily the Intergovernmental Transfer from the Willmar Municipal Utilities. It was noted that the transfers from the hospital are now located in Miscellaneous Revenue as the hospital is no longer a governmental entity. Under Parks & Recreation Revenues, Gun Range Revenue is approximately \$4,500 and the Warhawks and Curling Club leases are broken out into different line items.

Under General Fund Expenditures, the City Administrator Department is proposing an increase of \$159,000 for possible professional services for an assistant city administrator to fund the ebb and flow of projects (i.e. the LOST program, etc.). Most communities the size of the City of Willmar typically have an assistant city administrator. Future meetings will continue discussion on this topic. Further discussion will also include salary ranges as well. There is a substantial increase in Elections Expenditures due to 2020 being an election year as well as a census year. The Finance Department is increasing due to a proposed added position. General Government Nondepartmental is reflecting a substantial increase to accommodate personnel

issues being addressed and anticipated health insurance increases. Anticipated health insurance rate increases have been reduced from 34.5% to 32.5% in 2020. Further discussion will be held at future meetings on the Nondepartmental amounts.

Overall, new positions include an additional Accounting Clerk position, an Assistant Fire Chief position, and two interns (one for the Human Resources Department and one for the Planning and Development Services Department).

Other funds briefly discussed were the Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

A handout was provided regarding the proposed Tax Levy which is proposed in the amount of 5.7 million (which is approximately a 2.6% increase). The estimated impact on sample home values include: \$140,000 home \$11.58 increase based on the City Portion of the 2019 taxes; 176,000 home \$15.45 increase based on the City Portion of the 2019 taxes; and 344,000 home \$33.00 increase based on the City Portion of the 2019 taxes. This item was for information only.

Item No. 2 The Preliminary Tax Levy needs to be certified to the County Auditor by September 30th. This amount may be reduced but cannot be increased by the December 2, 2019, meeting. The Mayor is proposing a 2.6% increase on the current levy rate to raise the total dollar amount to \$5,776,821 in 2020. Concerns were raised regarding the combination of increasing the tax levy and instituting a gas franchise fee as well. It was the recommendation of the Committee to introduce a Resolution to set the Preliminary Levy at \$5,924,657.

Following discussion, **Resolution No. 19-152 Setting Preliminary Levy for 2020** was introduced by Council Member Nelsen. Council Member Plowman seconded the motion, which carried on a roll call vote of Ayes 6, Noes 2. Council Members Fagerlie and Schwantes votes "no".

The Finance Committee Report for September 26, 2019, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Nelsen, seconded by Council Member Fagerlie, and carried.

Council Member Nelsen offered a motion to adjourn the meeting with Council Member Asmus seconding the motion which carried. The meeting adjourned at 5:48 p.m.

s/s Marv Calvin
MAYOR

Attest:

s/s Judy Thompson
SECRETARY TO THE COUNCIL

RESOLUTION NO. 19-152

SETTING PRELIMINARY LEVY FOR 2020

Motion By: Nelsen Second By: Plowman

BE IT RESOLVED that the Mayor of the City of Willmar submitted a preliminary levy request of \$5,924,657;

BE IT RESOLVED by the City Council of the City of Willmar, Kandiyohi County, Minnesota, that the following sums of money be preliminarily levied for the current year collectable in 2020 upon the taxable property in said City of Willmar for the following purposes:

| | |
|--------------|-------------|
| General Fund | \$5,924,657 |
|--------------|-------------|

BE IT RESOLVED that there is a sufficient sum of money in the Debt Service Funds of the City to pay principal and interest in 2020 on all outstanding bond issues, and the deferred annual tax levies previously certified to the County Auditor are hereby canceled;

BE IT FURTHER RESOLVED that a public hearing shall be scheduled for the 2020 proposed budget on December 2, 2019.

The City Clerk is hereby instructed to transmit a certified copy of this Resolution to the County Auditor of Kandiyohi County, Minnesota.

Dated this 30th day of September, 2019.

s/s Marv Calvin

Mayor

Attest:

s/s Judy Thompson

City Clerk